



Kona Kai Club
MEMBERSHIP BY-LAWS

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These By-laws are adopted and issued by the Kona Kai Club hereinafter referred to as "KKC" with respect to the operation of the Kona Kai Club, hereinafter referred to as the "Club." on Shelter Island, San Diego, California.

ARTICLE 1
ADMISSION TO MEMBERSHIP

1.1 Eligibility for Membership.

All individuals and organizations of good standing in the community and possessing such other qualifications as KKC shall from time to time prescribe shall be eligible for membership in the Club.

1.2 Application for Membership.

Each applicant for membership in the Club shall submit to KKC a completed membership application on the form prescribed by KKC together with the applicable initiation fee and membership dues.

1.3 Admission to Membership.

Admission of members shall be handled by a Membership Committee. The members of the committee shall be appointed directly by and serve at the pleasure of KKC Management. The Membership Committee shall have authority to accept or reject any application for membership. The Committee shall have the power to adopt rules and regulations, not in conflict with these By-laws, relative to applicants' eligibility for and admission to membership.

1.4 Dues and Privileges of Members.

Upon the acceptance and approval of such application by the Membership Committee, the applicant shall be deemed to be admitted to membership in the Club. Membership dues payable monthly in advance, shall commence to accrue from the date of admission to membership, and Club privileges shall commence from the same date. Notwithstanding the fact that Club privileges may be curtailed, restricted, or denied, membership dues shall continue to accrue during periods of suspension from membership. Dues shall be due and payable on a monthly basis in advance on the first day of each calendar month. Charges billed to Members shall be due and payable on the first day of each calendar month after the date billed. The billing period is the 15th to the 14th of the following month. Should a Member's check be returned for insufficient funds, a fee may be charged to the Member's account. Fees and charges will be determined and assessed by the Club Management.

Members shall keep a valid credit card on file with the Club accounting department for the payment of dues and all other charges incurred and execute a Credit Card Authorization Form. Members may also make payment by check or cash. However, if payment is not paid when due, the Club accounting department will charge the Member's credit card. It is the Members responsibility to update their Membership and credit card information including any change in credit card number, expiration date, billing address, telephone number or name change to the Club accounting department.

1.5 Rejection of Application.

If an application for membership is rejected, the initiation fee and membership dues paid with the application shall be refunded. No individual or organization whose application for membership is rejected shall again be eligible for membership until after the expiration of six months from the time of such rejection.

ARTICLE 2
TERMINATION OF MEMBERSHIP

2.1 Resignation of Membership.

Any member may terminate at will his/her membership in the Club by delivering to the Club's accounting office a written resignation stating the fact of resignation and signed and dated by resigning member. Such resigning member shall not thereafter be charged any further monthly dues, but shall be liable for any unpaid initiation fee, house accounts, delinquency charges, or membership dues (including the membership dues in respect of the month during which such membership so terminates).

2.2 Termination on Death or Dissolution, Etc.

Except as otherwise provided in these By-laws or in the membership class descriptions maintained by KKC, membership shall be terminated on the death of the individual member or on the dissolution, bankruptcy, insolvency, termination of business or liquidation of the organization that is a member.

2.3 Suspension or Termination for Non Payment.

Any member who becomes delinquent in the payment of membership dues and or house accounts, initiation fees, or other indebtedness to the Club shall be automatically suspended from membership effective as of the date such member becomes delinquent in payment. No notice of such suspension from membership need be given. Membership dues shall continue to accrue during periods of suspension.

In the event any member fails to make full payment of any such indebtedness, dues, accounts or fees, together with the delinquency charges levied pursuant to Section 3.13 of these By-laws, within sixty days from the time such member became delinquent in payment, such member shall be automatically terminated from membership in the Club and shall be notified of such termination in writing.

Further, any member who fails to pay or otherwise satisfy and judgment obtained against such member by KKC for indebtedness or other cause not set forth above in this Section within ten days after such judgment becomes final, shall be automatically terminated from membership in the Club and shall be notified of such termination in writing.

KKC may, in its discretion and on such conditions as it may deem proper, temporarily suspend the operation of this provision of the By-laws.

2.4 Suspension or Expulsion upon Complaint.

2.4.1 Reservation of Rights.

KKC expressly reserves the right to terminate or suspend the membership of any member for just cause or for any other reason or for no reason. The procedures established by these By-laws for the expulsion or suspension of members are not intended, and shall not be construed, to be in derogation of this expressly reserved right upon 30 day written notice to the member.

2.4.2 Grounds.

The following constitute additional grounds upon which a member may be expelled or suspended from membership.

- i) Willful infractions or violations of these By-laws, the Club's House and Ground Rules, or any other Club rules or regulations now in force or hereafter adopted; Conduct in a manner.
- ii) unbecoming a gentleman or lady on the Club's premises; Acts or conduct which are or might prove
- iii) to be injurious or hostile to the interests, objects, or welfare of the Club or its members; or
- iv) Any other act or conduct as may be hereafter defined and specified by the Membership Committee or KKC

2.4.3 Procedure.

Upon oral or written complaint against any member made by other members of the Club, a member of the Membership Committee or the Manager shall review the matter. If, the complaint is warranted, the manager shall prepare, or cause to be prepared, a written specification of the charges brought against the complained-of member.

The member charged shall, within seven days after such notice is given (and such notice shall so instruct him/her), file with the Manager of the Membership Committee a written statement, under oath, setting forth any and all of his/her defenses to such specified charges. Such member may not thereafter raise any such statement he/she will be deemed to have waived his/her right to any and all defenses and all objections to any action taken with respect to the charges. Such notice, if personally served on the member, shall be deemed to have been given on the date so served. If the notice given by mail it shall be deemed to have been given on the date it is received by the member, provided, however, that it is given by registered or certified mail, the notice shall be deemed to have been given on the date it is deposited in the United States mail.

Upon the filing of such statement by the member charged within the prescribed time, the member shall be entitled to attend the hearing called by the Membership Committee and to present evidence and arguments within the scope of such statement on his/her behalf, but shall have no right to have counsel present. If the member charged fails to appear and defend, the hearing may be held in his/her absence as if he/she had contumacious behavior, as judged by the presiding officer in his/her discretion, make it difficult or impossible for the Committee to consider rationally or fairly the facts and issues of the case, the presiding officer may exclude the member charged and others so conduction themselves and may continue to conduct the hearing in his/her or their absence. The presiding office may, in his/her discretion, continue the hearing from time to time and from place to place. The presiding officer shall ensure that principles of justice and fairness are accorded the member charged. As the hearing shall be held informally, legal rules or evidence and procedure shall not be applicable. No transcript or recording of the hearing shall be made.

At the close of the presentation of evidence, the Committee shall, in closed and private session, consider the charges and the evidence, if any, addressed in support of or opposition to the charges and determine the correctness of the charges. The Committee shall also determine the penalty to be imposed upon the member charged- Such penalty may include, but is not limited to, expulsion from membership, suspension from membership for a fixed, determinable, or indeterminate time period, or restrictions on the Club privileges and facilities which the member may use and enjoy.

There shall be no right of appeal from the Membership Committee and the decision of the Connate in such a case shall be final and conclusive. However, KKC may, in its discretion, lessen, reduce or waive the penalty determined by the Committee. KKC, the Club, or any of their respective officers, governors, directors, employees, or members shall have no liability whatsoever to any member affected by any disciplinary procedure under these By-laws.

2.4.4 Continuation of Liabilities.

Notwithstanding any such termination or suspension of member. such member shall remain liable for any unpaid initiation fee, house accounts, or membership dues (including the membership dues in respect of the month during which such membership so terminated), and such member shall not be entitled to a refund or any part of any initiation fee or membership dues theretofore paid by such member to KKC. Membership dues shall continue to accrue during periods of suspension.

2.5 Termination by KKC.

Notwithstanding the provisions of Sections 2.2, 2.3, and 2.4 of these Bylaws, and in addition thereto, KKC reserves the right to terminate the membership of any member for any reason or for no reason, upon a 30 day written notice of termination addressed to such member's address as it appears in KKC's records. Notwithstanding any such termination of membership, such member shall remain liable for any unpaid initiation fee, house accounts, or membership dues (including the membership dues in respect of the month during which such membership so terminates). Such member shall not be entitled to a refund of any part of any initiation fee or membership dues theretofore paid by such member to KKC.

ARTICLE 3
RIGHTS AND PRIVILEGES OF MEMBERS

3.1 Classes of Membership.

Information concerning classes of membership and initiation fees and dues pertaining to each class shall be available from KKC upon request. KKC reserves the right to make at any time and from time to time such changes in the classes of membership and the initiation fees and dues and rights and obligations pertaining to each class of membership as KKC deems necessary.

3.2 Membership Cards.

Each member of the Club in good standing will be furnished with a membership card, and may be entitled to have supplementary membership cards issued to his/her family member in accordance with rules and regulations promulgated by KKC with respect thereto from time to time ("supplementary cards"). Each member, and where applicable, each family member, must exhibit his/her membership card, or supplementary card, when requested. Except upon prior written consent of KKC, a membership card or supplementary card may not be used by any person other than the member or family member to whom it was issued and any violation thereof shall be cause for immediate termination of the member's membership. The member to whom a membership card is issued shall be liable for all use, including unauthorized use, of the card and all supplementary cards issued at his/her request. If KKC receives written notice that a card has been lost or stolen, the member to whom or for whose account the card was issued shall not be liable for any use of the card thereafter provided that the member promptly surrenders all other Kona Kai Club membership cards and supplementary cards, if any, in his/her possession or in the possession of his/her family members. KKC may impose a charge for lost or stolen cards. Membership cards and supplementary cards are the property of KKC and must be surrendered upon request or upon resignation or transfer of, expulsion from or termination of membership. By the acceptance or use of membership identification cards, Member agrees to pay all debts incurred pursuant to the use of the facilities in accordance with the terms and conditions specified in the bylaws.

3.3 Guests.

Each member of the Club, in good standing, and his/her family members who hold valid supplementary cards, shall be entitled to invite guests to the Club in accordance with the provisions of this Section and the Club's House and Ground Rules as same may from time to time be amended. The member shall be responsible for all expenses incurred by said guests to the Club (whether invited by the member or any of his/her family members holding valid supplementary cards), unless other arrangements are made and approved in writing by the Club in advance. KKC may at any time, from time to time, suspend or terminate the guest privileges of any member or members of the Club and of their respective family members to whom supplementary cards have been issued. A suspended member or a former, expelled member may not be a guest.

As hereinafter used in this Section the terms "member" and "sponsoring member" shall mean, as appropriate, either the member or member of his/her family holding a valid supplement my card. Each guest must be escorted personally to the Club office by the member (the "sponsoring member") inviting such guest, or the sponsoring member must advise the Club's office of such guest's intended arrival in advance thereof. A sponsoring member shall be responsible for the conduct of each of his/her guests while at the Club. If the manner, deportment, or appearance of any guest is deemed by the KKC to be unsatisfactory), the sponsoring member shall, at the request of KKC, cause such guest to leave the Club premises.

3.4 Change of Address.

All members must immediately notify in writing the Club's Membership Office of any change of address, phone number and email. Any member who fails to do so shall be deemed to have waived any notice provided for under these By-laws.

3.5 Advertising Membership for Sale Prohibited.

No member of the Club shall advertise his/her membership for sale nor shall any member permit

his/her membership to be advertised for sale.

3.6 Private Property.

All private property while in or on the Club's premises or while deposited with the Club on or off the Club's premises, either for or without hire, shall be at the owner's sole risk. No bailment shall be created through any act, conduct, communication, or agreement by any Club or KKC officer or employee. No such officer or employee shall have authority to enter into any bailment with any member.

3.7 Members Right Title or Interest.

No member of the Club shall by virtue of such membership be deemed to be a shareholder of KKC or have any right, title, or interest in or to any of the assets of KKC or the Club. No member of the Club shall be liable for the debts or other obligations of KKC by reason of being such a member. Membership in the Club are non-participating and are a personal privilege only. Membership does not entitle the Member to any voting rights or voice in the management of the Club nor any right, title, interest in or to any of the Club's assets, properties, profits, earnings, dividends, capital stock, shares or securities. The Club is a private non-equity Club.

3.8 Contract of Membership.

These By-laws and the House and Ground Rules, as the same may be revised, supplemented, or amended from time to time, shall be considered a part of the contract membership, and the membership rights and privileges of each member of the Club shall be governed thereby. Any person who shall exercise membership privileges in the Club shall be conclusively, presumed to have by such act agreed to be bound by these By-laws and the House and Ground Rules, as the same may be revised, supplemented, or amended from time to time, regardless of whether he/she has signed a copy of same.

3.9 Transfer of Membership.

Memberships may not be transferred, nor may a member qualify for inactive status, except as authorized by KKC.

3.10 Property Rights of Membership.

No property or vested rights of any kind shall accrue to any member of the Club now or hereafter by virtue of his/her membership in the Club, and there shall be no obligation, either express or implied, binding upon KKC or the stockholders, directors, officers, employees, agents, or representatives of KKC, or upon any assets of KKC, or upon any other person or assets, to continue to provide or maintain any or all of the services or facilities of the Club now or hereafter available. KKC may at any time reduce or terminate any or all of such services or facilities. Admission to membership in the club is the full and sole consideration for the payment of the initiation fee, and membership in the Club for the period during which dues are paid is the full and sole consideration for the payment of membership dues. The term of such membership in the Club shall be limited to the life of the Club.

3.11 Liability for Use of Property.

Every member of the Club shall be liable for any property damages and/or personal injury at the Club, or at any activity or function operated, organized, arranged, or sponsored by the Club, caused by him/her, any of his/her guests, or any members of his/her family. Such member shall promptly pay for the cost thereof when a bill therefore is presented to him/her.

Any member, guest, or other person who in any manner makes use of or accepts the use of any apparatus, appliance, facility, privilege, or service of the Club, or engages in any contest, game, function, exercise, competition, or other activity operated, organized, arranged, or sponsored by the Club either on or off the Club's premises. Shall do so at his/her own risk, and shall hold the Club, KKC, its shareholders, directors, officers, employees, representative, and agents harmless from any and all loss, cost, claim injury, damage, or liability sustained or incurred by him/her resulting there from and/or resulting from any act or omission of any officer,

employee, representative, or agent of the club or KKC. Any member shall have and perform the same obligation to the Club, KKC and its shareholders, directors, officers, employees, representatives, and agents in respect of any such loss, cost, claim, injury, damage, or liability sustained or incurred by any guest of such member.

Should any party bound by these By-laws bring suit against KKC or the Club on any claim or matter, and fail to obtain judgment therein against KKC or the Club, said party shall be liable to KKC or the Club for all costs and expenses incurred in the defense of such suit (including reasonable attorneys' fees).

3.12 Right to Regulate Use of Property.

KKC shall have the unqualified right to make such rules, regulations, and restrictions in the use of all or any part of the Club property as it may deem necessary or appropriate. Such rules, regulations, and restrictions shall in part be known as House and Ground Rules, which a copy may be retrieved from KKC Management office. The House and Ground Rules shall apply to all members, family members, and guests. KKC may modify, amend, or revise the House and Ground Rules in whole or in part at any time and from time to time.

KKC may at any time, and from time to time, restrict or suspend any member's rights to use any facility or facilities of the Club if KKC shall determine that such restriction or suspension is in the Club's best interest. Such member shall not be entitled to any refund of any initiation fee or membership dues.

3.13 Delinquent Accounts.

Membership dues, house accounts, initiation fees, or other indebtedness to the Club shall be deemed delinquent if not paid prior to the delinquency date indicated on the statement by which such dues, accounts, fees and other indebtedness are first billed. One and one-half percent (1.5% monthly) (18% annual) delinquency charges may be made on any amount not received by KKC prior to said delinquency date and thereafter on such delinquent amount until paid.

If the account of any member of the Club is delinquent, KKC may at its option take whatever action deems necessary to effect collection. If KKC commences any legal action to collect any initiation fees, membership dues, house accounts or other indebtedness owed by any member of the Club or to enforce any liability of such member of KKC, and if judgment is obtained by KKC, such member shall also be liable for all costs and expenses of such legal action (including reasonable attorney's fees).

With respect to members who rent or lease office or marina space from the Club, payments received, unless specified to the contrary, will first be applied to the house account and then to rental due. KKC may at any time or from time to time deny to any member credit privileges at the Club.

3.14 Repair, Renovation or Reconstruction.

Owners and Management of the Kana Kai Club in their sole and absolute discretion and upon written notice to the members, reserve the right to temporarily suspend membership rights and privileges for repair, renovation or reconstruction of Club facilities.

ARTICLE 4 REPEAL AND AMENDMENT OF BY-LAWS

These By-laws may be revised, amended, supplemented, modified, or repealed at any time or from time to time by KKC, in its sole and absolute discretion